

ASSESSMENT AS CALCULATED AND LIMITED IN ACCORDANCE WITH THIS SUBTITLE IF, WHILE THE SUBSCRIBER'S POLICY IS IN FORCE OR WITHIN 3 YEARS AFTER ITS TERMINATION:

(1) THE SUBSCRIBER IS NOTIFIED BY THE ATTORNEY IN FACT OF THE RECIPROCAL INSURER OR THE COMMISSIONER OF THE INTENT TO LEVY THE ASSESSMENT; OR

(2) AN ORDER IS ISSUED THAT DIRECTS THE RECIPROCAL INSURER TO SHOW CAUSE WHY A RECEIVER, CONSERVATOR, REHABILITATOR, OR LIQUIDATOR OF THE RECIPROCAL INSURER SHOULD NOT BE APPOINTED.

(E) TOTAL LIABILITY.

ONE POLICY OR A SUBSCRIBER TO ONE POLICY MAY NOT BE ASSESSED OR CHARGED WITH A TOTAL CONTINGENT LIABILITY FOR OBLIGATIONS INCURRED BY A DOMESTIC RECIPROCAL INSURER IN ONE CALENDAR YEAR, IN EXCESS OF THE AMOUNT SET FORTH IN THE POWER OF ATTORNEY OR SUBSCRIBERS' AGREEMENT CALCULATED SOLELY ON THE PREMIUM EARNED ON THE POLICY DURING THAT YEAR.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, §§ 295, 296, and 297.

In subsections (a)(2) and (d)(2) of this section, the references to a "reciprocal" insurer are added for specificity.

In subsection (b)(3) of this section, the cross-reference to "subsection (e) of this section" is substituted for the former incorrect cross-reference to [Art. 48A] "§ 294" - now § 3-216 of this subtitle. Subsection (e) of this section covers total contingent liability.

Defined terms: "Commissioner" § 1-101

"Domestic insurer" § 1-101

"Policy" § 1-101

"Premium" § 1-101

"Reciprocal insurer" § 1-101

"Subscriber" § 3-201

3-218. EXTINGUISHING SUBSCRIBERS' LIABILITY AND ISSUANCE OF NONASSESSABLE POLICIES.

(A) IN GENERAL.

IF A RECIPROCAL INSURER HAS A SURPLUS OF ASSETS OVER ALL LIABILITIES AT LEAST EQUAL TO THE MINIMUM CAPITAL STOCK AND SURPLUS REQUIRED OF A DOMESTIC STOCK INSURER AUTHORIZED TO ENGAGE IN LIKE KINDS OF INSURANCE BUSINESS, ON APPLICATION OF THE ATTORNEY IN FACT OF THE RECIPROCAL INSURER AND AS APPROVED BY THE SUBSCRIBERS' ADVISORY COMMITTEE, THE COMMISSIONER SHALL ISSUE A CERTIFICATE THAT AUTHORIZES THE RECIPROCAL INSURER TO: